# Annual Report 2013–2014

Great state. Great opportunity.

Queensland Government

# About this report

This annual report provides information about the Queensland Mental Health Commission's financial and non-financial performance for 2013–2014. The report records our achievements in driving ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health and substance misuse system.

Our performance is measured against the objectives and targets in the Queensland Mental Health Commission's *2014–2018 Strategic Framework* and the *2013–14 Service Delivery Statements*, Queensland Health.

The report is a key accountability document and the principal way in which we report on our activities to Parliament and the Queensland community.

Electronic copies of this report are available at www.qmhc.qld.gov.au or printed copies of the report are available on request.

## Feedback

We value the views of our readers and invite your feedback on this report. Please contact the Queensland Mental Health Commission on telephone 1300 855 945, fax (07) 3405 9780 or via email at info@qmhc.qld.gov.au.


The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on 1300 855 945 and we will arrange an interpreter to effectively communicate the report to you.

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**We wish to pay respect to Aboriginal and Torres Strait Islander Elders, past and present, and acknowledge the important role of Aboriginal and Torres Strait Islander people, their culture and customs across Queensland.**

**We acknowledge the people living with mental illness and problematic substance use, their families, carers and support people who we are here to serve. Our work must be grounded in their realities of a society that has too often let them down and excluded them, when even just a helping hand, a listening ear and a word of kindness could have made such a difference to their lives.**

**Queensland
Mental Health
Commission**

ABN 54 163 910 717

# Letter of compliance

5 September 2014

The Honourable Lawrence Springborg MP
Minister for Health
Parliament House
George Street
Brisbane Qld 4000

Dear Minister

I am pleased to present the Annual Report 2013–2014 and Financial Statements for the Queensland Mental Health Commission. Following a machinery of government change in 2013 the Commission was established as a new statutory body taking responsibility for a number of functions formerly undertaken by the Department of Health.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies.*

A checklist outlining the annual reporting requirements can be found at Appendix A of this Annual Report.

Yours sincerely

Dr Lesley van Schoubroeck
Commissioner
Queensland Mental Health Commission

# Contents

# Commissioner's message

As Queensland's first Mental Health Commissioner my aim over the past 12 months has been to set the foundations for a trusted organisation that brings together the collective wisdom that arises from life experience and professional expertise to enhance the lives of Queenslanders.

Since its establishment a year ago, the Commission has worked with many individuals, families and communities as well as government and non-government agencies, service providers and researchers to identify issues and opportunities that exist across our diverse state.

We value the personal experience and views of those people living with mental health difficulties and substance misuse, as well as their families and carers, and have sought to strengthen their voice in all aspects of our work.

The Commission has an equal focus on mental health and alcohol and drugs. This presents a unique opportunity, however I acknowledge that while these issues commonly occur together, mental illness and substance misuse are often quite separate matters with different treatment philosophies and approaches.

The development of Queensland's whole-of-government mental health, drug and alcohol strategic plan will underpin the reform program going forward. However, the plan itself does not achieve reform, rather it provides focus. Implementation is the key. Reforming the system is a significant task, will take time and requires all areas of government to work together with the community.

It requires us to focus on implementing those actions which are most likely to bring about change. I recognise that there is much work to do, but by focusing on a few key ideas which will set the foundation for a culture of innovation and with determination for sustained change, we can make solid progress towards achieving a shared vision for Queensland.

Our partnerships with the community, government and non-government agencies as well as industry are our most valuable asset. I thank each of these groups, as well as the Commission staff and the Queensland Mental Health and Drug Advisory Council for their contribution and support in our first year of operations.

Finally, I thank all of the people from across the state who have welcomed the establishment of Queensland's Mental Health Commission. Your expectations are daunting. To meet them all would be an impossible task but I am committed to making a positive difference.

Dr Lesley van Schoubroeck
**Queensland Mental Health Commissioner**

# About the Queensland Mental Health Commission

The Queensland Mental Health Commission (the Commission) is a key element of the Queensland Government's commitment to revitalise frontline services for families. Its establishment meets an important commitment in the *Blueprint for better healthcare in Queensland*, to support better health care in the community.

The Commission was established on 1 July 2013 as an independent statutory body under the *Queensland Mental Commission Act 2013* (the Act).

A subsequent machinery of government change enabled a number of functions and resources from the Department of Health to be transferred to the Commission.

## Role and functions

Our role is to drive ongoing reform towards a more integrated, evidence–based, recovery–oriented mental health and substance misuse system in Queensland. The Act sets out the Commission's functions. We will:

- develop a whole-of-government mental health, drug and alcohol strategic plan (strategic plan)
- monitor, review and report on issues affecting people with mental health or substance misuse issues, their families, carers and support persons, and people who are vulnerable to, or otherwise at significant risk of, developing mental health or substance misuse issues
- promote prevention, early intervention and community awareness strategies.

Our mandate does not include investigation of individual complaints or planning and funding of mental health, alcohol or other drug services. These are the remit of other agencies.

The Commission, based in Brisbane, comprises of the Queensland Mental Health Commissioner and its staff. The Queensland Mental Health Commissioner makes recommendations to the Minister for Health.

## Our vision

A healthy community where people living with mental illness or substance misuse have a life with purpose and access to quality care focused on wellness and recovery, in a society free of stigma and discrimination.

## Our principles

Our work is guided by a set of principles outlined in the Act. They are that:

- People with a mental illness or who misuse substances –
  - should have access to quality mental health or substance misuse services, care and support, wherever they live
  - should be treated with respect and dignity
  - should be supported to participate fully in community life and lead meaningful lives
  - have the same right to privacy as other members of society.
- Aboriginal and Torres Strait Islander people should be provided with treatment, care and support in a way that recognises and is consistent with Aboriginal tradition or Island custom and is culturally appropriate and respectful.
- Carers, family members and support persons for people with a mental illness or who misuse substances –
  - are integral to wellbeing, treatment and recovery
  - should be respected, valued and supported
  - should be engaged, wherever possible, in treatment plans.
- An effective mental health and substance misuse system is the shared responsibility of the government and non-government sectors and requires –

- a coordinated and integrated approach, across all areas of health, housing, employment, education, justice and policing
- a commitment to communication and collaboration across public sector and publicly funded agencies, consumers and the community
- strategies that foster inclusive, safer and healthier families, workplaces and communities.

# Our values

The public service values are fundamental to all of our work. These values are: customers first, ideas into action, unleash potential, be courageous, and empower people.

Within this context, our specific values and organisational behaviours are:

- **human rights**—fundamental in the framing of all our work
- **collective strength**—creating opportunities for people, from all backgrounds and experiences, to come together to share their wisdom, knowledge and experiences to create systemic change
- **accessible and responsive**—work and objectives are transparent, accessible and responsive to all our stakeholders
- **respect for experience**—work that is informed through a wide and diverse range of experiences, expertise and skills
- **enquiry to action**—engage in a depth of enquiry, with a broad range of stakeholders, including many people, in many places, to directly inform and guide our actions.

# Objectives and Performance

Our 2014–18 Strategic Framework (the strategic framework) with revised objectives, key result areas and performance indicators directs the organisation's work.

This reflects a change from our first strategic framework (2013–17) which was developed prior to the commencement of the Commission. Reporting 2013–14 performance against the 2014–18 strategic framework is considered appropriate, particularly as the Commission's 2013–14 operational plan was developed and delivered around the key results areas in that framework. This also provides a consistent platform for future reporting.

Our **objective** is to achieve better outcomes for people with mental health issues or substance misuse problems

- by reaching consensus on and making progress towards achieving system wide reforms
- by maximising the collective impact of the available lived experience and professional expertise.

Our strategies are included under *four key results areas* (KRAs) that align with our legislated role and functions:

1. Strategic planning
2. Review, research and report
3. Promotion and awareness
4. System governance

Our *performance indicators* include:

- The extent to which agreed commitments in the whole of government strategic plan are implemented
- Stakeholder satisfaction with the support and achievements of the Commission.

In April 2014 Paxton Partners was appointed to develop a methodology and approach to evaluate our effectiveness. Evaluation of the effectiveness of the Commission must differentiate between outcomes of the collective effort of all agencies to improve mental health and wellbeing and our contribution to that collective effort. The evaluation will span three years and will inform the independent review of our performance as required in s55 of the *Queensland Mental Health Commission Act 2013*. It will also provide annual information to monitor stakeholder satisfaction. It is planned that baseline data will be collected early in the 2014–15 financial year.

# Non-financial performance

## Overview

Our first year of operations focused on establishing an entity and undertaking consultation with stakeholders to inform the development of the strategic plan. While no specific organisational effectiveness performance measures were established in our first year, we did routinely seek feedback from participants in our consultative activities.

Activities undertaken to consolidate the Commission's establishment included:

- the appointment of the Queensland Mental Health Commissioner on 1 July 2013
- establishment of the Queensland Mental Health and Drug Advisory Council (the Council)
- establishing the organisational structure, developing policies and processes and implementing systems to ensure compliance with governance obligations as well as developing our vision, strategic framework and operational plan
- development of service standards for reporting in the 2014–15 service delivery statement that measure the efficiency and effectiveness of the Commission's performance against its objectives
- publication of an inaugural mid-year performance report for stakeholders to promote transparency of our actions.

Consultation with stakeholders, including clarification of our role and the development of an evidence base, was essential to developing our strategic framework. A key challenge was to ensure an appropriate breadth of input while developing and implementing a work program that resulted in tangible activities building on the consultations as they occurred.

Our network of stakeholders continues to grow as we reach out and respond to those individuals and organisations that have an interest in contributing to the improved mental health and wellbeing of Queenslanders.

Presentation of our draft strategic plan to the Minister in June 2014 for consideration by government was a major achievement.

## Key result area 1 Strategic planning

The Act requires the Commission to prepare a whole of government strategic plan. Once developed, the Commission will be responsible for monitoring the plan's implementation and providing reports to the Minister for Health. The Act also requires that the strategic plan is reviewed within five years.

The strategic plan aims to improve the mental health and wellbeing of Queenslanders. It will set out the strategic direction for future actions in Queensland and is aligned with the *Blueprint for better healthcare in Queensland*.

In developing the strategic plan the Act requires that the Commission consult a wide range of people, groups and organisations. This includes:

- people living with mental health difficulties or substance use problems, their families, carers and support people
- the Queensland Mental Health and Drug Advisory Council
- Hospital and Health Boards, government, non-government and private sector representatives
- other members of the community.

The Act also requires that the Commission take into account the particular views, needs and vulnerabilities of different sections of the Queensland community including:

- Aboriginal and Torres Strait Islander communities
- culturally and linguistically diverse communities
- regional and remote communities
- other groups at risk of marginalisation and discrimination.

## Key actions

Building a solid evidence base was a crucial first step in developing our policy foundations and the strategic plan. We commissioned research and undertook extensive stakeholder engagement and consultation to identify priority areas for reform. We designed and implemented a consultation process to draw together the collective knowledge of stakeholders as well as promoting our shared responsibility for improved mental health and wellbeing.

Consultations were undertaken in two broad phases:

- to gather feedback on the strategic plan's priorities and what a better mental health, drug and alcohol system would look like
- targeted consultations on the strategic plan's vision, principles, outcomes and commitments to action.

The consultation process involved:

- a series of consultative forums across the State
- an online survey promoted through our website and external stakeholder networks, with responses received from over 100 stakeholders
- meetings with peak non-government organisations and professional bodies
- meetings with government representatives including Hospital and Health Services and Board Chairs
- meeting with and seeking the views of the Council.

As well as regional forums, issue and sector specific forums with non-government organisations and government agencies were held throughout Queensland. Forums focused on a wide range of issues including perinatal and infant mental health, child and youth mental health, Aboriginal and Torres Strait Islander peoples, drug and alcohol issues, issues confronting people with mental illness in the criminal justice system and the needs of consumers, families and carers.

Over 740 participants attended these events. Formal feedback was received from 57 per cent of participants with 60 per cent of the respondents rating the sessions as "great" and 34 per cent rating them as "average". Details are in Table 1 and Table 2.

**Table 1: Strategic planning consultation forums**

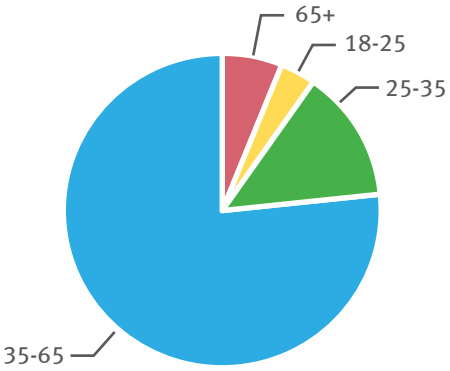
| FORUM DETAILS AND ATTENDANCE | | | REPRESENTATION | | | | |
|---|---|---|---|---|---|---|---|
| **Forums** | **Date** | **Total** | **Consumers** | **Carers** | **NGO** | **Other** | **Govt** |
| Cairns | Sept 13 | **67** | 2 | 0 | 18 | | 33 |
| Rockhampton | | **62** | 5 | 0 | 19 | | 29 |
| Townsville | | **49** | 0 | 1 | 19 | | 23 |
| Toowoomba | | **71** | 14 | 3 | 16 | | 23 |
| Perinatal and Infant mental health | Oct 13 | **52** | 0 | 0 | 18 | 1 | 33 |
| Child and Youth mental health | | **125** | 0 | 1 | 20 | 6 | 98 |
| Aboriginal and Torres Strait Islander peoples | | **32** | 0 | 0 | 20 | | 12 |
| South East Qld Forum A | | **41** | 7 | 2 | 16 | | 9 |
| South East Qld Forum B | | **57** | 3 | 4 | 24 | | 16 |
| QNADA alcohol and drug sector | | **18** | 0 | 0 | 15 | | 3 |
| Non–government organisations | | **28** | 0 | 0 | 27 | | 1 |
| Government agencies | | **28** | 0 | 0 | 1 | | 27 |
| Forensic | Nov 13 | **24** | 0 | 0 | 7 | | 17 |
| Consumers, families and carers | | **20** | 11 | 7 | 2 | | 0 |
| Hospital and Health Service leaders | Various | **61** | | | | | |
| Other | | **66** | | | | | |
| **TOTAL** | | **740** | 42 | 18 | 222 | 7 | 324 |

**Table 2: Satisfaction with strategic planning consultation forums**

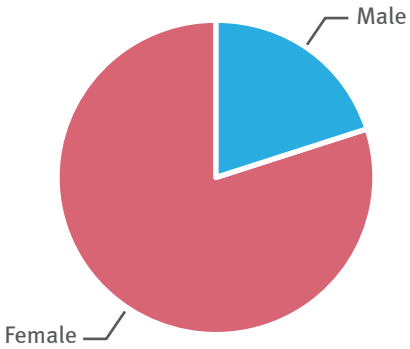
| Attribute | Response % | | | |
|---|---|---|---|---|
| | Great | Average | Poor | Other |
| Opportunity to contribute provided | 63 | 33 | 1 | 3 |
| Voice heard | 50 | 42 | 4 | 4 |
| Issues noted and included | 48 | 44 | 4 | 4 |
| Purpose appropriate | 67 | 29 | 2 | 2 |
| Facilitation effective | 73 | 24 | 1 | 2 |
| **Average %** | **60** | **34** | **3** | **3** |

Following the consultation forums we sought the public's view on the proposed areas of focus for the strategic plan and provided an opportunity for people to make additional suggestions through a web-based survey. The survey was available on our website for four months and received over 100 detailed responses. As shown below approximately 80 per cent were female and a similar proportion indicated that they had lived experience of mental health or substance misuse issues as a consumer or carer.

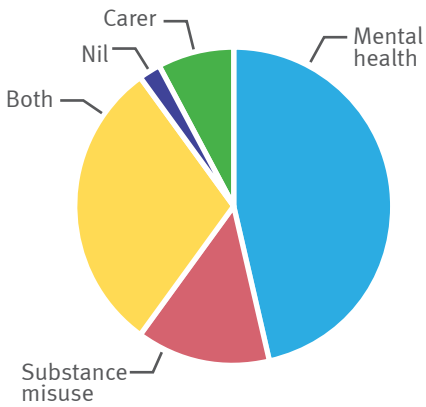
**Age Group**




**Gender**




**Lived Experience**



The Commissioner also attended and addressed many forums to better understand the multiple perspectives of people wanting to contribute to the reform process.

People were invited to submit papers on specific issues, current research and potential opportunities for reform. Twenty submissions were received on a broad range of topics including suicide prevention, the needs of people from culturally and linguistically diverse backgrounds and Aboriginal and Torres Strait Islander peoples, drug and alcohol services, and better integration of mental health services. To engage the broader community, we published the issues papers on our website. Authors included professionals from a range of fields, research and academic experts, peak bodies, consumers, families and carers as well as health and non-health service providers.

In December 2013 we published *A plan for mental health and substance misuse reform: what we've heard*, a document reflecting the themes from the consultations and feedback received.

Additionally, we commissioned two significant reports. ConNetica Consulting's *Strategic Plan Policy Project Report* scoped the policy and data environment relevant to the treatment, support and care of people living with or at risk of mental illness or substance use problems. *Estimating the community prevalence and treatment rates for mental and substance use disorders in Queensland* was prepared by the Mental Health Policy and Epidemiology Group, Queensland Centre for Mental Health Research (QCMHR), University of Queensland and reported estimated prevalence of mental health and substance use problems in Queensland, by age group and severity of disorder.

We appreciate the commitment of consumers, families, carers, service providers and researchers in sharing their knowledge and wisdom. A draft strategic plan has been presented to Government. It focuses on actions over the next three to five years that will foster new and innovative ideas that will lead to better outcomes for all Queenslanders. It is anticipated that the strategic plan will be publicly released after consideration by Government.

# Key result area 2
# Review, research and report

Evidence about what works and promising practice are essential to driving reform. Our role under the Act includes monitoring, reviewing and reporting on issues affecting people with mental health or substance misuse issues, and their families, carers and supporters as well as those who are vulnerable to, or at significant risk of developing mental health or substance misuse issues. To fulfil this role we undertake or commission research and evaluation that promotes and facilitates knowledge sharing.

The Act provides that the Minister for Health may direct the Commission to prepare a special report on any significant systemic issue, and that the Commission must comply with this direction. No directions to prepare a special report were made in 2013–14. The Commission is also able to prepare ordinary reports under the Act. No ordinary reports were completed in 2013–14.

## Key actions

### Ordinary report into systemic issues for social housing clients with complex needs

The Queensland social housing system is a very important housing provider for those experiencing mental health difficulties and substance misuse problems.

In September 2013 we made a submission to the Queensland Parliament's Transport, Housing and Local Government Committee requesting that any unintended impacts of the *Residential Tenancies and Rooming Accommodation and Other Legislation Amendment Bill 2013* on people with mental health or substance misuse problems be monitored. Our proposals were included in the Committee's recommendations. Subsequently, in response to a request from the Interagency Group for Housing Assistance, we initiated a review of the impact of the legislation's Anti-Social Behaviour policy from the perspective of tenants affected by it.

The University of Queensland's Institute for Social Science Research (ISSR) was engaged to undertake this review. The ISSR's final report, including case studies, will be provided to us in late 2014 and will form the basis of our first ordinary report to be tabled in Parliament.

## Legislative review

We have taken an active role in the Department of Health's review of the *Mental Health Act 2000* to identify and recommend improvements to involuntary treatment of people living with mental illness.

An independent medico-legal expert was engaged to provide advice and deliver information sessions to inform our submission and to enhance the capacity of consumers, families, carers and professionals to provide individual submissions to the review. Two sessions were held in February 2014 with further sessions in July.

Upon release of the *Mental Health Act 2000* review discussion paper we provided information on our website to enhance community understanding of the review and again support capacity to respond to the review questions. Feedback from individuals impacted by the legislation as well as clinicians and lawyers working with the legislation has been invaluable to informing our position on a range of complex issues.

Separately, the Queensland Public Interest Law Clearing House (QPILCH) was commissioned to provide an overview of other legislative instruments in Queensland that have an impact on people living with mental illness or substance misuse and their carers and families.

## Research to inform least restrictive practices in acute mental health wards

The need for least restrictive practices in acute mental health wards is central to recovery–orientated practice and to treating people living with mental health difficulties with dignity and respect. To explore this issue, we engaged the University of Melbourne to undertake research into the use of least restrictive practices in acute mental health wards including locked wards. The research will include a comprehensive literature review and feedback provided through forums with consumers, families and carers, clinicians and other hospital staff, and is due to be finalised in late 2014.

It will inform our ongoing engagement with the Department of Health regarding strategies to move towards the goal of providing least restrictive care in acute mental health wards in Queensland.

In addition, we are represented on the National Seclusion and Restraint Working Group convened by the National Mental Health Commission which will also report in the latter part of 2014. The group is considering strategies to further reduce the use of seclusion and restraint nationally.

## Discussion paper on perinatal and infant mental health

Significant service gaps for mothers, families and infants across the continuum of perinatal and infant mental health care were identified early in consultations in 2013. We commissioned Children's Health Queensland Hospital and Health Service to prepare a perinatal and infant mental health service enhancement discussion paper for consideration by Government.

The discussion paper outlines a comprehensive perinatal and infant mental health clinical service model and was formally provided to the Director–General, Department of Health in June 2014. The report will be publicly released and comments will be sought from interested parties particularly in relation to the adequacy of community supports provided by non-government agencies and of the capacity of services to meet the needs of Aboriginal and Torres Strait Islander peoples.

## Evaluation of Ed-LinQ Initiative

The Queensland Ed-LinQ Initiative aims to build the capacity of the health and education sectors to work collaboratively to address the early detection and intervention of mental health difficulties and disorders in school aged children and young people. Responsibility for this program was transferred from the Department of Health when the Commission was established.

In February 2014 we commissioned ConNetica Consulting to conduct an external evaluation of the Ed-LinQ Initiative. The evaluation has been overseen by an interagency reference group comprising public, independent and catholic schools systems, primary care, the Department of Health and the Commission. The evaluation findings and proposals will be used to inform current and future policy directions and program initiatives in Queensland. The findings will also strengthen the evidence base regarding effective models and strategies for early intervention with child and youth mental health problems.

# Key result area 3
# Promotion and awareness

A function of the Commission is to promote mental health and wellbeing. Our role is to:

- promote and facilitate the sharing of knowledge and ideas about mental health and substance misuse issues
- support and promote strategies that prevent mental illness and substance misuse
- support and promote social inclusion and recovery of people with a mental illness or who experience substance misuse
- promote community awareness and understanding about mental health and substance misuse including for the purpose of reducing stigma and discrimination.

## Key actions

### Communications

In the first year of operations, we established and developed a communications function to enable engagement with stakeholders and to promote an understanding of mental health and substance misuse issues in the broader community.

- This included the development of our website at www.qmhc.qld.gov.au which at 30 June 2014 had hosted 14,272 separate sessions, had 9,214 individual visitors and a total of 71,757 page views.
- Creation of an e-newsletter, with 10 issues being sent out over the 12 month period.
- Building a subscriber database through a sign-up form on the website, with 890 people subscribed to receive Commission updates.
- Establishing our Twitter account on 1 May 2014, to enable engagement with and support of stakeholders through social media networking as well as sharing news from the Commission and driving traffic to the website. We tweeted 79 times and had 69 followers as at 30 June 2014.
- Implementing a media program to launch and develop awareness of the Commission and of the work we are undertaking, resulting in significant media coverage, particularly in rural areas via radio interview.

The communications program alongside the organisational effectiveness evaluation work being undertaken by Paxton Partners has contributed to the development of a stakeholder consultation and engagement baseline for the Commission.

We have used Auslan interpreters on two occasions but there have been no requests to use other interpreter services.

### Suicide prevention

Suicide rates in Queensland have been relatively stable over the last two decades. Over the five year period from 2008 to 2012 the Queensland age standardised suicide rate was 13 per 100,000 people. This compared with 10.8 per 100,000 people nationally.[1]

A number of groups continue to be overrepresented in Queensland suicide mortality data, for example people living in rural and remote communities and Aboriginal and Torres Strait Islander peoples. Preliminary 2013 data provided by the Australian Institute of Suicide Research and Prevention (AISRAP) suggests that that suicide mortality was two times higher in remote communities and 28 per cent higher in rural communities than in metropolitan areas in Queensland. It also indicates that suicide mortality for Aboriginal and Torres Strait Islander people was 1.5 times higher than for non-Indigenous Queenslanders.

Responsibility for oversight of Queensland Government suicide prevention efforts was transferred from the Department of Health to the Commission on establishment. This includes planning and coordinating a cross-government policy approach to suicide prevention in Queensland. We spent over $1.6 million dollars on suicide prevention of which $1.57 million was administered by us specifically for cross sectoral suicide prevention activities. The significant activities funded during 2013–14 include:

- funding seven Hospital and Health Services at a total cost of $997,500 per annum to provide dedicated clinical positions within Queensland Health Mental Health Acute Care teams to improve the detection, assessment and management of people at risk of suicide presenting in public health settings including emergency departments.
- funding of $70,000 to the Children's Health Queensland Hospital and Health Service to provide advice on strategies to enhance the capacity of the public health system for early detection, assessment and integrated management of suicide risk in children and young people including quality of procedural, workforce, partnerships and organisational factors.

- funding of $250,000 per annum to the AISRAP to maintain and report on the Queensland Suicide Register (QSR), a comprehensive database of suicide mortality data across the state. Data from the QSR is intended to improve the early detection and communication of systemic trends and key issues for cross sectoral suicide prevention in Queensland.
- providing $30,000 funding as an industry partner contribution to the three year Australian Research Council Linkage study *Influences on farmer suicide in Queensland and New South Wales*. The study is led by Griffith University and is due to be completed during 2014–15.
- funding of $10,000 to Suicide Prevention Australia to pilot the Communities Matter Toolkit in selected rural and regional communities in Queensland.
- funding of $150,000 was provided for on-going support for the Queensland Ed-LinQ Cross sectoral Workforce Development Project which provides professional development activities delivered jointly to health, education, primary care and community service providers. $100,000 allocated to the evaluation of this initiative referred to previously is included in the $1.6million.

We convene the Queensland Advisory Group on Suicide (QAGS) which aims to use available data and technical expertise of key stakeholders to monitor and identify suicide trends and opportunities for systemic reform. QAGS is comprised of the Queensland suicide mortality data custodians including the Office of the State Coroner, Queensland Police, the AISRAP, the Department of Health and the former Queensland Commission for Children and Young People and Child Guardian.

Functions of QAGS are to:

- facilitate earlier access to suicide data for strategic analysis and review
- identify systemic issues that may have prevented such deaths
- inform a coordinated cross sectoral and whole of government response to achieve improvements in suicide prevention and suicide risk reduction.

We will be working towards a renewed approach to suicide prevention in 2014–15.

## Awareness, education and stigma reduction

To promote community awareness and education and reduce stigma associated with mental health problems, we supported *beyondblue: the national depression initiative* with $645,000 in 2014-15 as part of an on-going annual commitment. The Commissioner represents Queensland on *beyondblue's* Board. Professor Brett McDermott is the Queensland based director on the *beyondblue* Board. He is a Child and Adolescent Psychiatrist, Executive Director of the Mater Child and Youth Mental Health Service, a Professor at the Queensland University of Technology and a member of the Australian National Mental Health Disaster Response Committee.

A decision by the Department of Health to cease funding non-government organisations for community education, promotion, prevention and early intervention activities from 2014–2015 onwards has implications for our priority setting across all key result areas in future years. We will work with the National Mental Health Commission in its review of federally funded mental health services to ensure effective community education, promotion, prevention and early intervention services continue to be delivered in Queensland.

We have commenced planning for mental health promotion, prevention and early intervention directions and actions including community and cross sectoral awareness and stigma reduction.

## Mental health and the workplace

Three priority areas for mental health and the workplace were identified through the consultations and research undertaken for the development of the strategic plan. These include:

- fostering mentally healthy workplaces
- strengthening the mental health and drug and alcohol workforce capacity
- increased employment opportunities for people with mental illness and substance misuse difficulties.

To foster cross sectoral engagement in future efforts a number of preliminary activities were initiated. In January 2014 workshops were delivered by Tony Coggins, Head of Mental Health Promotion at the South London and Maudsley NHS Foundation Trust to strengthen cross sectoral understanding of mental health impact assessment and mentally healthy workplaces. Between 50 and 60 people from government and community organisations attended the forums over two days.

## Aboriginal and Torres Strait Islander leadership and wellbeing

Aboriginal and Torres Strait Islander people experience disproportionately high levels of mental health issues, suicide and substance use problems. The Australian Bureau of Statistics reports that in 2012–13, almost one-third of Aboriginal and Torres Strait Islander Australians aged 18 years and over reported high or very high levels of psychological distress—almost three times the rate experienced by non-Indigenous people.[2]

Strategic policy leadership for Aboriginal and Torres Strait Islander mental health and wellbeing was transferred from the Department of Health to the Commission when it was established. With the subsequent establishment of a committee of the Council in June 2014, we are now positioned to determine those strategic initiatives that can lead to better outcomes for Aboriginal and Torres Strait Islander peoples.

The Committee is chaired by Professor Gracelyn Smallwood and includes representatives from the Department of Health, the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs, the Queensland Aboriginal and Islander Health Council and the Indigenous Urban Institute for Health.

Other activities underway include:

- Commission representation on the National Aboriginal and Torres Strait Islander Leadership in Mental Health Group (NATSILMH) which is a core group of senior Aboriginal and Torres Strait Islander people working in the areas of social and emotional wellbeing, mental health and suicide prevention. The group is jointly supported by the state and national mental health commissions with many of the group's representatives involved with the commissions and other leading Indigenous health organisations across Australia. NATSILMH's priority work is to lead and provide advice in these areas to the mental health commissions of Australia.
- Funding of $335,000 for the 2014 calendar year to the Ngoonbi Cooperative Society Ltd to build on a national initiative to promote social and emotional wellbeing, and reduce community distress and suicide in the Kuranda and Cherbourg communities. Half of this funding was spent during the financial year 2013-2014 to set up and deliver the first stages of this program.

## Rural and remote mental health

Our consultation for the strategic plan indicated that access to services was the primary concern for rural and remote communities. In response, we have worked to identify barriers to accessing mental health, alcohol and drug services in rural and remote areas.

We have:

- published an issues paper—*Exploring key issues for better access to mental health and substance misuse clinical service in rural and remote Queensland*
- taken lead responsibility to coordinate work arising from the Queensland Ministerial Roundtable on rural and remote mental health which was convened by the Minister for Health in Charleville on 13 March 2014
- visited rural communities in Emerald (April 2014) and Theodore (May 2014) to hear local issues first hand
- provided a submission to the Health and Community Services Committee's *Inquiry into telehealth services in Queensland*
- established a working group to facilitate the development of best practice guidelines to support the use of telehealth for mental health and alcohol and drug clinical services.

This work forms the basis for a rural and remote mental health cross-sectoral action plan as part of the implementation of the strategic plan.

# Key result area 4
# System governance

## Queensland Mental Health and Drug Advisory Council

The Council was established under the Act on 1 July 2013. The Council's role enables stakeholders to be involved in the strategic work of the Commission and to support driving reform in the mental health, drug and alcohol service systems. Its functions are to:

- provide advice to the Commission on mental health or substance misuse issues either on its own initiative or at the Commission's request
- make recommendations to the Commission regarding the Commission's functions.

Members of the Council were appointed by the Minister and were selected from more than 150 applicants based on their skills, knowledge and experience of mental health and substance misuse issues. They reflect Queensland's diversity coming from regional and urban communities and include consumers, carers, representatives from the non-government sector, researchers and clinicians.

Professor Harvey Whiteford was appointed as Council Chair on 26 September 2013 for a term of three years. The remaining Council members were appointed on 24 February 2014 for terms of either two or three years.

Information about the expertise and experience that each member brings to the Council can be found on our website.

Two Council meetings were convened in 2013–14 in April and May 2014. The one day meetings enabled the Council to provide invaluable advice on significant reform initiatives including the development of the strategic plan. Council members also undertook work and provided advice out of session, either as individuals or members of small working groups on a range of issues including proposed options for improvements to perinatal and infant mental health services in Queensland. The Council has not made any formal recommendations to the Commission during 2013–14.

| Council members | Term (Years) |
|---|---|
| Prof Harvey Whiteford (Chair) | 3 |
| Mrs Jan Kealton (Deputy Chair) | 3 |
| Mr Kingsley Bedwell | 3 |
| Ms Amelia Callaghan | 2 |
| Prof Brenda Happell | 2 |
| Ms Ailsa Rayner | 2 |
| Dr Christian Rowan | 2 |
| Mr Etienne Roux | 3 |
| Prof Gracelyn Smallwood | 2 |
| Ms Debbie Spink | 2 |
| Mr Luke Terry | 2 |
| Mr Ben Tune | 3 |
| Mr Mitchell Giles | 3 |

## Consumers, families and carers

We have been active in implementing a multi-pronged strategy to engage and consult with people with lived experience of mental illness, mental health problems or substance misuse issues and their families, carers and support persons.

We are committed to ensuring the participation of these groups in our work and enhancing their capacity to participate across the wider system. Activities to support this included:

- development and implementation of a Paid Participation Policy for consumers, families and carers for the Commission
- providing support for a consumer and a carer representative to attend the 2013 TheMHS conference
- $21,400 to support the National Mental Health Consumer and Carer Forum, where Queensland has two representatives—one consumer representative, Mr Noel Muller, and one carer representative, Mr Peter Dillon who assumed the role previously undertaken by Ms Jean Platts following an extensive selection and recruitment process
- supporting Queensland Voice for Mental Health Inc. to undertake a targeted consultation with consumers, families and carers during the development of the strategic plan

- engaging a full-time senior project officer to provide policy advice and project management of responsibilities under the consumer, family and carer portfolio
- providing targeted workshops for consumers and carers to build their capacity to participate in the *Mental Health Act 2000* review process
- participating in a number of community groups to meet common outcomes
- communicating with many consumers, their families and carers across Queensland both formally and informally at events, workshops and conferences.

## Partnerships

### Working with other mental health commissions

A memorandum of understanding which formalises a network of mental health commissions across Australia and New Zealand was finalised in June 2014. This statement aligns and coordinates efforts around shared priorities, roles and common approaches. It builds on the outcomes of a meeting held prior to our establishment in Sydney in March 2013, where several national and international mental health commissions endorsed five priority areas for on-going collaboration. These include:

- Aboriginal and Torres Strait Islander mental health
- seclusion and restraint
- work and mental health
- knowledge exchange
- international benchmarking.

We have focused our contribution on Aboriginal and Torres Strait Islander mental health and seclusion and restraint, and plan for an increased emphasis on work and mental health in the coming year.

In June 2014, the Commissioner attended the second international meeting of commissions in Dublin.

The outcomes of that meeting are yet to be finalised.

### Hospital and Health Services Boards

A protocol between Chairs of the Hospital and Health Services Boards (HHB) and the Commission has been drafted. The protocol establishes an agreed framework that governs the way the Commission and the HHBs will work collaboratively towards achieving better outcomes in mental health and substance misuse for all Queenslanders.

### Clinical Networks

While no formal agreements have been developed, we have developed collegiate working relationships with two clinical networks, the Statewide Rural and Remote Clinical Network and the Statewide Mental Health, Alcohol and Other Drugs Clinical Network, to ensure that our work is informed by best clinical practice. These working relationships are supported by the Commission's engagement of a consultant psychiatrist on a part time basis.

### Whole of government plans

The Queensland Government has made a commitment to the wellbeing of young people in Queensland in its youth strategy *Connecting Young Queenslanders 2013*. Children and young people, as well as infants, families and mothers will be included as a priority population in our strategic plan with a range of targeted actions to be developed in consultation with government, community and industry following release of the strategic plan. This aligns with the Youth Strategy's commitment to improving health and wellbeing.

# Emerging issues

During the coming year our focus will shift from establishment to implementation of activities that will enable the fulfilment of our legislative obligations. In doing so, we must be cognisant of emerging issues that will impact on people living with mental health difficulties and substance misuse, their families and carers as well as on the Commission itself.

## Emerging issues include:

- The burden of disease of mental illness and substance use disorders. The World Health Organisation has reported that mental illness and substance use disorders cause 23 per cent of all health related disability in Australia, with three of the top ten causes of health related disability attributed to mental illness and substance use disorders. Depression is the second leading cause, with anxiety disorders ranked sixth and illicit drug use ranked ninth.[3]
- A recent report[4] on the burden of disease of alcohol on the Australian community highlights significant impacts on health and wellbeing. It reports 5,554 deaths and 157,132 hospitalisations were caused by alcohol in 2010, representing an increase in the number of deaths by 62 per cent in the last ten years. The estimated annual cost for the community is $36 billion.
- The National Mental Health Commission's review of mental health services and programs will be provided to the Australian Government by 30 November 2014. It is expected to make recommendations about programs and services and comment on respective roles and responsibilities of state, territory and Commonwealth governments. This has significant implications, particularly for the way that we address early intervention and promotion.
- Increased attention and support for investment in community education, promotion and early intervention services, which have the potential to make positive long term differences and reduce the demand for expensive specialist services. However, it must be noted that this cannot be resourced by drawing from a mental health budget that is already stretched due to the high demand for services.
- The outcomes of the review of the *Mental Health Act 2000* will impact on people in involuntary care, their families, carers and supporters.
- The rollout of the National Disability Insurance Scheme continues, with Queensland preparing to commence on 1 July 2016. The scheme will fundamentally change the way eligible individuals can access disability services. How mental illness will be considered in the program guidelines is still under negotiation.
- Changes to income support proposed by the Australian Government may have a positive impact on people unable to work due to mental illness as long as they are implemented in such a way that takes into account the cyclical nature of their illness.
- Continued devolution of responsibility for service planning as well as delivery provides the opportunity for services to be more responsive to local requirements, but this needs to be complemented by effective statewide policies and programs, particularly in areas of high risk and low demand.

# Financial performance

## Overview

### Financial Overview

The Commission's first year operating budget was $7.147M administered as a grant through the Health Portfolio. The remaining sources of income generally resulted from a small amount of interest payable against cash at bank.

A summary of the Commission's financial performance for the year is shown below:

| **Revenue** | **$,000** | **$,000** |
|---|---|---|
| Grants and other contributions | 7.147 | |
| Other | 0.142 | |
| **Total Revenue** | **7.289** | |
| **Expenditure** | **$,000** | **$,000** |
| Employee expenses | | 1.566 |
| Supplies and services | | 1.727 |
| Grants | | 2.356 |
| Depreciation | | .003 |
| Other expenses | | 1.209 |
| **Total Expenditure** | | **6.861** |
| **Operating result** | | **. 428** |

### Expenditure Overview

- Employee expenses relate directly to maintaining a Full Time Equivalent staffing of 11.
- Of the $1.7M expended in general supplies and services approximately $870K was expended on consultancy and contractor activities which informed and supported the development of the strategic plan and other Commission legislative requirements. A further $250K was expended for corporate services support provided to the Commission by an outsourced third party.
- The majority of the Commission's grant expenses relate to grants novated from the Department of Health on establishment of the Commission, with only a small amount of $286K generated from new grant activity.
- $1.2M in other expenses reflects funding returned to the Health Portfolio during 2013-14 to be deferred and reallocated back to the Commission in 2014-15.

### Cash at bank

The cash at bank at the end of the financial year is $664K reflecting approximately nine per cent of the total income for the year. Approximately one third of this is tied to outstanding 2013-14 cash flow transitions (accruals and pre-payments) whilst the remainder is already committed in 2014-15 through existing yet to be delivered contractual activities.

# Consultancies

To ensure that our work is evidence-based we commissioned subject matter experts to research and prepare reports in a number of areas. The table below lists the consultancies commissioned during 2013–14. For some consultancies the deliverables, and consequently some expenditure, will not be finalised until 2014–15. These are identified with an *. The key focus for the majority of these consultancies has been to inform either the strategic plan or the Commission's policy advice.

| Consultancy description | Organisation/contractor | Total $ inc GST |
|---|---|---|
| Mental health drug and alcohol prevalence data analysis | ConNetica Consulting Pty Ltd | 53,900 |
| Mental health drug and alcohol policy analysis | Queensland Centre for Mental Health Research, University of Queensland | 26,950 |
| Mental health legislative framework analysis | Queensland Public Interest Law Clearing House | 29,935 |
| Ed-LinQ Program evaluation | ConNetica Consulting | 113,960* |
| Mental Health Act 2000 review | RMIT University | 36,300* |
| Systematic Issues for social housing client with complex needs review | Institute for Social Science Research, University of Queensland | 126,292* |
| Least restrictive practices in acute mental health wards, including locked wards policy review | University of Melbourne | 94,465* |
| Organisational effectiveness model development (Stage 1) | Paxton Partners | 143,342* |
| Organisational design | KPMG | 60,000 |
| **Total** | | **685,144** |

# Overseas travel

| Name of officer and position | Destination | Reason for travel | Agency cost | Contribution from other agencies or sources |
|---|---|---|---|---|
| Dr Lesley van Schoubroeck, Mental Health Commissioner | Stockholm, Manchester and Dublin | Attendance at the International Initiative for Mental Health Leadership meeting and the Dublin meeting of mental health leaders in June 2014. | $7,994 | NIL |

# Agency Governance

As a new entity, much of our early focus was to establish a governance framework in accordance with our statutory obligations. This included ensuring the development of the organisational structure and corporate policies and processes.

Where practical, we utilised existing whole-of-government policy rather than developing our own. There were a number of areas where it was considered necessary to develop specific Commission policy that aligned with broader government policy requirements and our Financial Management Practice Manual.

These include:

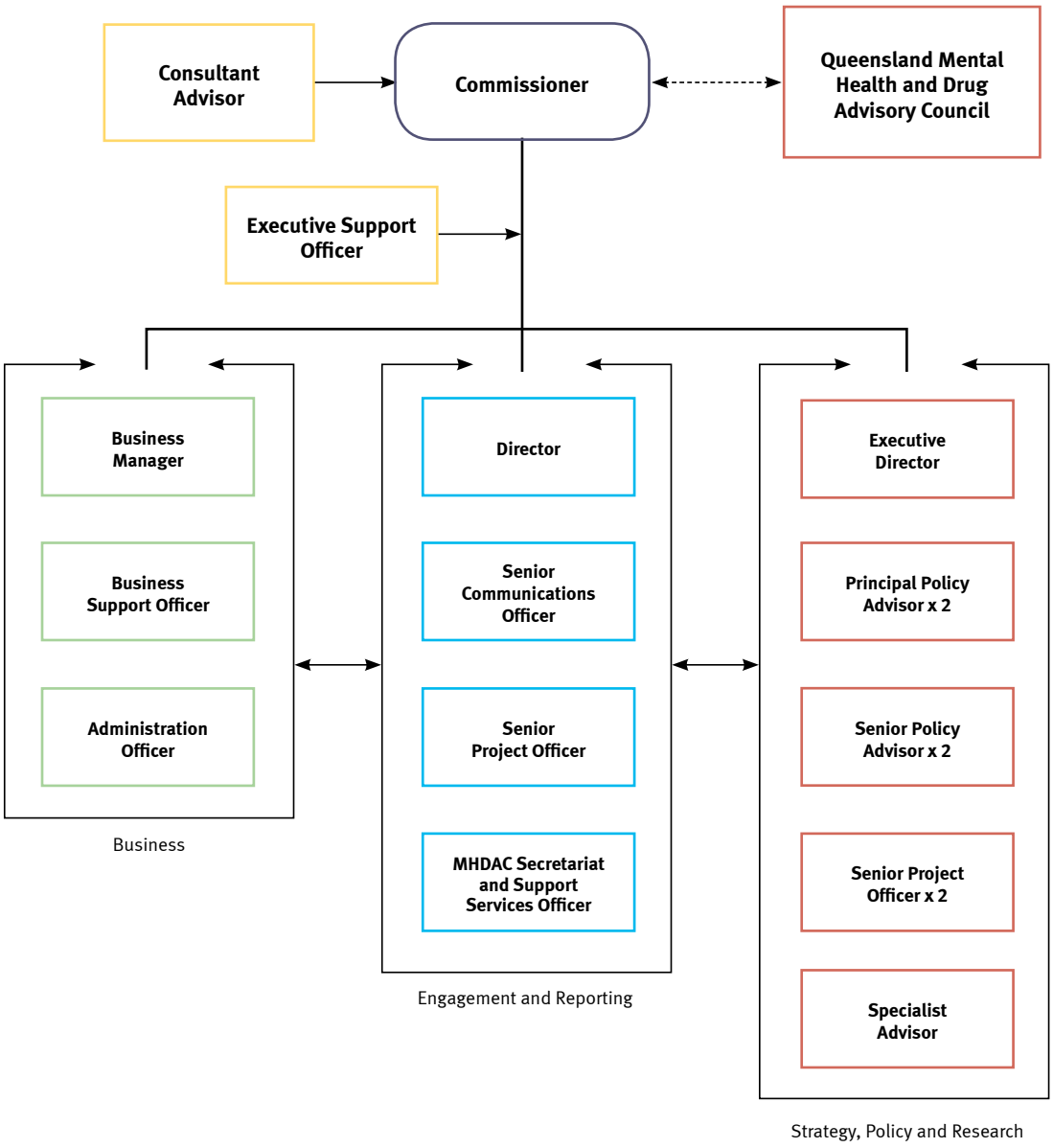
- financial—financial management practice manual delegations, procurement, fraud and corruption, and grants management
- human resources—delegations, hours of work, public interest disclosure, and grievances.

# Management and structure

## Organisational structure

During 2013–14 we undertook an organisational design review to ensure that the organisation was appropriately structured to meet legislative obligations and sector expectations. The structure is intentionally lean and designed to work collaboratively with other government bodies, industry and community groups.

The Corporate Administration Agency, part of Queensland Shared Services, provides our financial, human resource and information systems services, which allows us to focus the majority of our staffing resources on core business.



# Executive

Accountability for our operations under the *Financial Accountability Act 2009* resides with the Commissioner as the Accountable Officer. The Commissioner is appointed under Division 4 of *the Act*.

Our leadership is provided through an Executive Management Team (EMT). This team is responsible for delivering our legislative requirements within a compliant corporate governance framework.

| Position | Name |
|---|---|
| Mental Health Commissioner | Dr Lesley van Schoubroeck |
| Executive Director, Strategy Policy and Research | Carmel Ybarlucea |
| Director, Engagement and Reporting | Cassandra Gillies |
| Business Manager | Michael Corne |

Responsibilities of the EMT are outlined in our corporate governance charter and are to:

- provide leadership and management of the Commission's vision, goals and values to ensure successful implementation of the Commission's priorities.
- provide strategic and integrated organisational performance advice to support the Commissioner in setting, steering and reviewing the Commission's strategic direction.
- provide high quality strategic leadership, advice and support to the Commissioner in the overall management of Commission operations.
- provide effective leadership and management to staff within the Commission to ensure that they are suitably skilled and motivated to undertake their responsibilities.
- manage the Commission's program and operation budgets ensuring compliance with legislative, audit and governance requirements.
- ensure the Commission's compliance with all corporate governance requirements in operating as a statutory body.

## Public sector ethics

The Queensland Public Service Code of Conduct applies to the Commission. The Commission has included the Code of Conduct in its induction processes, provided training to staff and incorporated its requirements, principles and values into staff performance management plans.

# Risk management and accountability

## Risk management

As part of our initial establishment we have undertaken a risk assessment and established a risk management plan and register. We have adopted a risk management philosophy that incorporates risk assessment as a standard practice.

We are committed to managing risks through identifying, analysing, assessing and controlling the exposures that are likely to impact on strategic and operational performance. We have not established a separate risk management committee, rather the responsibility has been included as part of the EMT's charter.

| Risk type | Risk mitigation strategy |
|---|---|
| **Legislative application** | To manage risks the Commission works to its legislated role and responsibilities. Consultation and partnerships with government, non-government and community stakeholders, including program leaders and experts will allow for the exchange of knowledge, increased capacity and reduce potential risks associated with implementing the Act. |
| **Stakeholder expectations** | Varied and sometimes conflicting expectations of the Commission are held by government, non-government and community stakeholders. These are managed through open communication and engagement, clarification of the model of the Commission as outlined in its legislation and a firm focus on achieving results. |
| **Independence** | Perceptions of the Commission as an independent and representative entity are essential to its credibility and capacity to effect change. This will be influenced by the quality of the Commission's robust and evidence based policy work and its communication processes, particularly timely and transparent reporting of progress across all sectors. |
| **Governance** | The capacity of the Commission to perform effectively and efficiently in a complex environment with finite resources requires robust governance and management systems. To assist with this the Commission has established an outsourced corporate service delivery arrangement that also includes access to advice and assistance with meeting its statutory body compliance obligations and internal policies. |

## Audit committee and Internal Audit

We have not established a separate audit committee, rather the responsibility has been included as part of the EMT's charter. A separate internal audit function is not required unless directed by the Minister.

## Information management and record keeping

We recognise the significant value of our information resources to the achievement of corporate goals and legislative requirements. Controls are implemented and monitored to safeguard the integrity, availability and confidentiality of information in order to maintain business continuity. These controls are established through systems, policies and procedures provided by the Corporate Services Service Provider (Corporate Administration Agency). Record keeping policies and systems meet the accountability requirements of the *Public Records Act 2002*.

We have also established a client management system that records and profiles the stakeholders we engage with. This tool has proved invaluable.

## Open data

We have opted to be included with the Department of Health's Open Data Strategy 2013–16 which is available to view on the Queensland Government data website.

# Human Resources

The Commission was initially developed as an organisation of six staff plus the Commissioner; however this was subsequently increased to a total of 10 just prior to its establishment. Within the first six months it was clear that some knowledge and experience gaps existed, particularly in the areas of communications and media and project and contract management.

Following an organisation design review, in May 2014 the Minister approved an increase in the establishment to 15 full time equivalent staff. We have refined the job descriptions and are progressively recruiting to this staffing level and as at the end of 2013–14 we had 11 staff members with some of the remaining positions being filled by contractors until the recruitment process is finalised. It is not intended that all positions will be filled permanently to ensure that the Commission retains flexibility to respond to changing priorities.

During 2013–14 one permanent employee resigned from the Commission resulting in a permanent separation rate of 6.7 per cent (i.e. one of 15 full time equivalent employees). The permanent retention rate is 93.3 per cent.

At this early stage of workforce planning, attraction and retention has been focused on establishing a suitably skilled workforce. We utilise and promote whole-of-government workplace policies such as flexible working and work/life balance.

# Queensland Mental Health Commission Financial Statements 2013–14

## Contents



## General Information

These financial statements cover Queensland Mental Health Commission. It has no controlled entities.

The Commission is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Commission is:

Level 30, 400 George St
BRISBANE QLD 4000

A description of the nature of the Commission's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Commission's financial report please email **info@qmhc.qld.gov.au** or visit the Commission's internet site **www.qmhc.qld.gov.au.**

Amount shown in these financial statements may not add to the correct sub-totals or total due to rounding.

# Queensland Mental Health Commission

## Statement of Comprehensive Income
## for the year ended 30 June 2014

| | Notes | 2014 $'000 |
|---|---|---|
| **Income from Continuing Operations** | | |
| ***Revenue*** | | |
| Grants and other contributions | 2 | 7,147 |
| Other revenue | 3 | 142 |
| **Total Income from Continuing Operations** | | 7,289 |
| **Expenses from Continuing Operations** | | |
| Employee expenses | 4 | 1,566 |
| Supplies and services | 6 | 1,727 |
| Grants | 7 | 2,356 |
| Depreciation | 8 | 3 |
| Other expenses | 9 | 1,209 |
| **Total Expenses from Continuing Operations** | | 6,861 |
| **Operating Result from Continuing Operations** | | 428 |
| **Total Comprehensive Income** | | 428 |

*The accompanying notes form part of these statements.*

# Queensland Mental Health Commission

## Statement of Financial Position
## as at 30 June 2014

| | Notes | 2014 $'000 |
|---|---|---|
| **Current Assets** | | |
| Cash and cash equivalents | 10 | 664 |
| Receivables | 11 | 60 |
| Other current assets | 12 | 18 |
| **Total Current Assets** | | 742 |
| **Non Current Assets** | | |
| Plant and equipment | 13 | 9 |
| **Total Non Current Assets** | | 9 |
| **Total Assets** | | 751 |
| **Current Liabilities** | | |
| Payables | 14 | 123 |
| Accrued employee benefits | 15 | 22 |
| Other liabilities | 16 | 38 |
| **Total Current Liabilities** | | 183 |
| **Non Current Liabilities** | | |
| Other liabilities | 16 | 140 |
| **Total Non Current Liabilities** | | 140 |
| **Total Liabilities** | | 323 |
| **Net Assets** | | 428 |
| **Equity** | | |
| Accumulated surplus | | 428 |
| **Total Equity** | | 428 |

*The accompanying notes form part of these statements.*

# Queensland Mental Health Commission

## Statement of Cash Flows
## for the year ended 30 June 2014

| | Notes | 2014 $'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| *Inflows:* | | |
| Appropriation funding for departmental services | | 7,147 |
| GST collected from customers | | 4 |
| GST input tax credits from ATO | | 264 |
| Other | | 142 |
| *Outflows:* | | |
| Employee expenses | | (1,570) |
| Supplies and services | | (2,653) |
| GST paid to suppliers | | (298) |
| GST remitted to ATO | | (4) |
| Other | | (2,356) |
| **Net cash provided by (used in) operating activities** | **17** | 676 |
| **Cash flows from investing activities** | | |
| *Outflows:* | | |
| Payments for plant and equipment | | (12) |
| **Net cash provided by (used in) investing activities** | | (12) |
| **Net increase (decrease) in cash held** | | 664 |
| **Cash at beginning of financial year** | | - |
| **Cash at end of financial year** | **10** | 664 |

*The accompanying notes form part of these statements.*

# Queensland Mental Health Commission

## Statement of Changes in Equity
## for the year ended 30 June 2014

| | Accumulated Surplus $'000 | TOTAL $'000 |
|---|---|---|
| **Balance as at 1st July 2013** | - | - |
| Operating Result from Continuing Operations | 428 | 428 |
| **Balance as at 30 June 2014** | 428 | 428 |

*The accompanying notes form part of these statements.*

# Queensland Mental Health Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

**Objectives and Principal Activities of the Queensland Mental Health Commission**

The Queensland Mental Health Commission (QMHC) was established on 1 July 2013 as an independent statutory body under the *Queensland Mental Health Commission Act 2013*.

The QMHC seeks to drive ongoing reform towards a more integrated, evidence-based, recovery-oriented mental health, drug and alcohol system within Queensland. It seeks to achieve this through:

- optimising sectoral consensus on and making progress towards achieving system wide outcomes.
- maximising the collective impact of the available lived experience and professional expertise across the mental health alcohol and other drugs sector.

Principal activities undertaken by the Commission include:

- preparing, monitoring and reporting on the implementation of a whole-of-Government Strategic Plan.
- monitoring, reviewing and reporting on issues affecting people with or vulnerable to developing mental health or substance misuse issues, and their families, carers and support persons.
- promoting prevention, early intervention and community awareness strategies.

## 1. Summary of Significant Accounting Policies

### (a) Statement of Compliance

The Queensland Mental Heath Commission has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2014, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Queensland Mental Health Commission has applied those requirements applicable to not-for-profit entities, as the Queensland Mental Health Commission is a not-for-profit entity. Except where stated, the historical cost convention is used.

### (b) The Reporting Entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the Commission. The Commission does not have any controlled entities.

### (c) Grants and Other Contributions

Grants and contributions which are non-reciprocal in nature are recognised as revenue in the year in which the Commission obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

### (d) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

## 1. Summary of Significant Accounting Policies (contd)

### (e) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically. There is no allowance for impairment at 30 June 2014. No bad debts were written off at 30 June.

### (f) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Where assets are received free of charge from a Queensland department (whether as a result of a machinery-of-Government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB116 *Property, Plant and Equipment*.

### (g) Plant and Equipment

Items of plant and equipment with a cost or other value equal to or in excess of $5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

### (h) Depreciation of Plant and Equipment

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Commission.

For each class of depreciable asset, where held, the following depreciation rates are used:

| ***Class*** | ***Rate%*** |
|---|---|
| Plant and Equipment: | |
| Office Equipment | 33.33% |

### (i) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Commission determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

## 1. Summary of Significant Accounting Policies (contd)

### (i) Impairment of Non-Current Assets (contd)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (j) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. There were no finance leases during the year.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

### (k) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

### (l) Financial Instruments

*Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Commission becomes party to the contractual provisions of the financial instrument.

*Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit or loss
- Receivables - held at amortised value
- Payables - held at amortised value

The Commission does not enter transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Commission holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Commission are included in Note 20.

**1. Summary of Significant Accounting Policies (contd)**

**(m) Employee Benefits**

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

*Wages, Salaries and Sick leave*

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

As the Commission expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

History to date indicates that on average, sick leave taken in each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

*Annual Leave*

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the Commission to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

No provision for annual leave is recognised in the Commission's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

*Long Service Leave*

Under the Queensland Government's long service leave scheme, a levy is made on the Commission to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Commission's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

*Superannuation*

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Commission's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

1. **Summary of Significant Accounting Policies (contd)**

**(m) Employee Benefits (contd)**

*Key Management Personnel and Remuneration*

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to Note 5 for the disclosures on key management personnel and remuneration.

**(n) Insurance**

The Commission's risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Commission pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

**(o) Taxation**

The Commission is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Commission. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note 11).

**(p) Issuance of Financial Statements**

The financial statements are authorised for issue by the Commissioner and the Executive Director at the date of signing the management certificate.

**(q) Judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

No provision has been made for impairment loss on receivables. As at 30 June 2014 all debts will be realised, given the nature and small number of debtor transactions recorded.

**(r) Rounding and Comparatives**

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required.

No comparative information has been provided as this is the Commission's first year of operation.

**(s) Implementation of the Shared Services Initiative**

The Corporate Administration Agency (CAA) provides Queensland Mental Health Commission with corporate services under the "Shared Services Provider" model. The fees and terms of the services are agreed through a Service Level Agreement, negotiated annually and include:

- Financial services
- Human resources recruitment and payroll
- Information systems and support

## 1. Summary of Significant Accounting Policies (contd)

### (t) New and Revised Accounting Standards

The Commission did not voluntarily change any of its accounting policies during 2013-14. Australian Accounting Standard changes applicable for the first time for 2013-14 have had minimal effect on the Commission's financial statements, as explained below.

AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of the Commission's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based fair value. As at 30 June 2014, the Commission has no assets or liabilities measured at fair value and the standard has no impact on the Commission.

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. Given the Commission's circumstances, the only implications for the Commission were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the Commission is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the Commission's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Commission makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the Commission.

AASB 1053 *Application of Tiers of Australian Accounting Standards* became effective for reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Pursuant to AASB 1053, public sector entities like the Commission may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the Commission, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments and statutory bodies (like the Commission) that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards has had no impact on the Commission.

**1. Summary of Significant Accounting Policies (contd)**

**(t) New and Revised Accounting Standards (contd)**

The Commission is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the Commission has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Commission applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. The Commission will need to include in its 2014-15 financial statements the original budgeted figures from the Income Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 –

AASB 2013-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities.*

AASB 9 *Financial Instruments* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]* will become effective for reporting periods beginning on or after 1 January 2017. The main impacts of these standards on the Commission are that they will change the requirements for the classification, measurement and disclosures associated with the Commission's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Commission has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Commission's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Commission enters into, it is not expected that any of the Commission's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2017-18 financial statements, all of the Commission's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Notes 1(l) and 20). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Commission's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

**1. Summary of Significant Accounting Policies (contd)**

**(t) New and Revised Accounting Standards (contd)**

The Commission will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2017-18. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2017-18 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Commission enters into, no significant ongoing disclosure impacts are expected.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Commission's activities, or have no material impact on the Commission.

| | | | 2014 $'000 |
|---|---|---|---|
| **2.** | **Grants and Other Contributions** | | |
| | Contributions from Government | | 7,147 |
| | **Total** | | 7,147 |
| **3.** | **Other Revenue** | | |
| | Interest | | 107 |
| | Other | | 35 |
| | **Total** | | 142 |
| **4.** | **Employee Expenses** | | |
| | ***Employee Benefits*** | | |
| | Wages and salaries | * | 1,069 |
| | Employer superannuation contributions | * | 127 |
| | Annual leave levy/expense | * | 132 |
| | Long service leave levy/expense | * | 2 |
| | ***Employee Related Expenses*** | | |
| | Workers' compensation premium | | 9 |
| | Payroll tax and fringe benefits tax | | 64 |
| | Other employee related expenses | | 163 |
| | **Total** | | 1,566 |

* Refer to Note 1(m).

The number of employees as at 30 June, including both full-time and part-time employees measured on a full-time equivalent basis reflecting Minimum Obligatory Human Resource Information (MOHRI)) is:

| | 2014 |
|---|---|
| Number of employees: | 11 |

# Queensland Mental Health Commission

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

### 5. Key Management Personnel and Remuneration Expenses

#### *(a) Key Management Personnel*

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Commission during 2013-14. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

| Position | Responsibilities | Current Incumbents | |
|---|---|---|---|
| | | Contract classification and appointment authority | Date appointed to position (Date resigned from position) |
| Mental Health Commissioner | Chief Executive Officer for the Commission. | HSES 3.5; *Public Service Act 2008* (s24 of the *Queensland Mental Health Commission Act 2013*). | Appointed 01 July 2013 |
| Executive Director | Provides strategic leadership for the Commission's policy and program and research functions. | HSES 2.1 (low); *Public Service Act 2008* (s24 of the *Queensland Mental Health Commission Act 2013*). | Appointed 22 April 2014 |

#### *(b) Remuneration Expenses*

Remuneration policy for the Commission's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*, and the *Queensland Mental Health Act 2013* for the Commissioner. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts provide for other benefits including motor vehicles.

For the 2013-14 year, remuneration of key management personnel increased by 2.2% in accordance with government policy.

The following disclosures focus on the expenses incurred by the Commission during the 2013-14 reporting period, which is attributable to key management positions. Therefore, the amounts disclosed reflects expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprises the following components:-

- Short term employee expenses which include:

  -salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.

  -non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

**5. Key Management Personnel and Remuneration (contd)**

***(b) Remuneration Expenses (contd)***

- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

**1 July 2013 – 30 June 2014**

| Position (date resigned if applicable) | Short Term Employee Expenses | | Long Term Employee Expenses | Post-Employment Expenses | Termination Benefits | Total Expenses |
|---|---|---|---|---|---|---|
| | Monetary Expenses $'000 | Non-Monetary Benefits $'000 | $'000 | $'000 | $'000 | $'000 |
| Mental Health Commissioner | 210 | - | 4 | 22 | - | 236 |
| Executive Director | 32 | - | 1 | 3 | - | 36 |

***(c) Performance Payments***

No performance payments were made to the key management personnel of the Commission.

| | | 2014 $'000 |
|---|---|---|
| **6.** | **Supplies and Services** | |
| | Corporate service charges | 231 |
| | Consultants and contractors | 796 |
| | Travel | 69 |
| | Property lease and rental | 423 |
| | Repairs and maintenance | 13 |
| | Minor plant and equipment | 29 |
| | Information technology | 21 |
| | Motor vehicle | 12 |
| | Catering | 22 |
| | Communications | 26 |
| | Advertising and promotion | 39 |
| | Administration costs | 46 |
| | **Total** | 1,727 |
| **7.** | **Grants** | |
| | Grants to Industry - New | 216 |
| | Grants to Industry - Recurrent | 1,072 |
| | Grants to Qld Govt Depts - New | 70 |
| | Grants to Qld Govt Depts - Recurrent | 998 |
| | **Total** | 2,356 |
| **8.** | **Depreciation** | |
| | Depreciation was incurred in respect of: | |
| | Plant and equipment | 3 |
| | **Total** | 3 |
| **9.** | **Other Expenses** | |
| | External audit fees * | 9 |
| | Return of funds to Department of Health | 1,200 |
| | **Total** | 1,209 |

* Total audit fees paid to the Queensland Audit Office relating to the 2013-14 financial statements are estimated to be $18,000. There are no non-audit services included in this amount.

| | | |
|---|---|---|
| **10.** | **Cash and Cash Equivalents** | |
| | Cash at bank | 664 |
| | **Total** | 664 |

| | 2014 $'000 |
|---|---|
| **11. Receivables** | |
| Accounts receivable | - |
| | - |
| GST receivable | 34 |
| GST payable | - |
| | 34 |
| Long service leave reimbursements | 1 |
| Annual leave reimbursements | 25 |
| **Total** | 60 |
| **12. Other Current Assets** | |
| Prepayments - other | 18 |
| **Total** | 18 |
| **13. Plant and Equipment** | |
| At cost | 12 |
| Less: Accumulated depreciation | (3) |
| **Total** | **9** |

**Plant and Equipment Reconciliation**

| | *Plant and Equipment* 2014 $'000 | *Total* 2014 $'000 |
|---|---|---|
| Carrying amount at I July | - | - |
| Acquisitions | 12 | 12 |
| Depreciation for period | (3) | (3) |
| **Carrying amount at 30 June** | **9** | **9** |

| | 2014 $'000 |
|---|---|
| **14. Payables** | |
| Trade creditors | 48 |
| Accrued expenses | 69 |
| Payroll tax | 6 |
| **Total** | 123 |
| **15. Accrued Employee Benefits** | |
| *Current* | |
| Salary and wage related | 4 |
| Annual leave levy payable | 10 |
| Long service leave levy payable | 7 |
| Superannuation | 1 |
| **Total** | 22 |
| **16. Other Liabilities** | |
| *Current* | |
| Lease incentive | 38 |
| **Total** | 38 |
| *Non-current* | |
| Lease incentive | 140 |
| **Total** | 178 |
| **17. Reconciliation of Operating Result to Net Cash from Operating Activities** | |
| Operating surplus/(deficit) | 428 |
| Depreciation expense | 3 |
| Changes in assets and liabilities: | |
| (Increase)/decrease in receivables | (60) |
| (Increase)/decrease in prepayments | (18) |
| Increase/(decrease) in payables | 301 |
| Increase/(decrease) in accrued employee benefits | 22 |
| **Net cash provided by/(used in) operating activities** | 676 |

## 18. Commitments for Expenditure

### (i) Non-cancellable Operating Leases

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

| | 2014 $'000 |
|---|---|
| Not later than one year | 463 |
| Later than one year and not later than five years | 1,062 |
| Later than five years | - |
| **Total** | **1,525** |

Operating leases are entered into as a means of acquiring access to office accommodation. Lease payments are generally fixed, both with inflation escalation clauses on which contingent rentals are determined.

### (ii) Grants and Subsidies

Grants and subsidies commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts are payable as follows:

| | 2014 $'000 |
|---|---|
| Not later than one year | 2,475 |
| Later than one year and not later than five years | 275 |
| Later than five years | - |
| **Total** | **2,750** |

### (iii) Other Expenditure Commitments

Commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

| | 2014 $'000 |
|---|---|
| Not later than one year | 755 |
| Later than one year and not later than five years | 150 |
| Later than five years | - |
| **Total** | **905** |

## 19. Contingencies

There are no legal or any other contingencies that are known to the Commission at 30 June.

**20. Financial Instruments (contd)**

***(c) Credit Risk Exposure (contd)***

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

***2014 Financial Assets Past Due But Not Impaired***

| | | Overdue | | | | |
|---|---|---|---|---|---|---|
| | | Less than 30 Days | 30-60 Days | 61-90 Days | More than 90 Days | Total |
| | Note | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Financial Assets** | | | | | | |
| Receivables | 11 | - | - | - | - | - |
| **Total** | | - | - | - | - | - |

***(d) Liquidity Risk***

Liquidity risk refers to the situation where the Commission may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Commission is exposed to liquidity risk in respect of its payables.

The Commission manages liquidity risk through the use of management reports. This strategy aims to reduce the exposure to liquidity risk by ensuring the agency has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the agency. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

| | | 2014 Payable in | | | Total |
|---|---|---|---|---|---|
| | | <1year | 1-5 years | >5 years | |
| | Note | $'000 | $'000 | $'000 | $'000 |
| **Financial Liabilities** | | | | | |
| Payables | 14 | 123 | - | - | 123 |
| **Total** | | **123** | - | - | **123** |

***(e) Market Risk***

The Commission does not trade in foreign currency and is not materially exposed to commodity price changes. The Commission is exposed to interest rate risk through its cash deposits in interest bearing accounts. The Commission does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy as articulated in the Commission's Financial Management Practice Manual.

***(f) Interest Rate Sensitivity Analysis***

The Commission is not sensitive to interest rate movements.

***(g) Fair Value***

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any provision for impairment.

The Commission has not offset any assets and liabilities.

## 20. Financial Instruments

### (a) *Categorisation of Financial Instruments*

The Commission has the following categories of financial assets and financial liabilities:

| Category | Note | 2014 $'000 |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents | **10** | 664 |
| Receivables | **11** | 60 |
| **Total** | | **724** |
| **Financial Liabilities** | | |
| Financial liabilities measured at amortised cost: | | |
| Payables | **14** | 123 |
| **Total** | | **123** |

### (b) *Financial Risk Management*

The Commission's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and Commission policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Commission.

All financial risk is managed by Executive Management under policies approved by the Commission. The Commission provides written principles for overall risk management, as well as policies covering specific areas.

The Commission measures risk exposure using a variety of methods as follows -

| Risk Exposure | Measurement method |
|---|---|
| Credit Risk | Ageing analysis, earnings at risk |
| Liquidity Risk | Sensitivity analysis |
| Market Risk | Interest rate sensitivity analysis |

### (c) *Credit Risk Exposure*

Credit risk exposure refers to the situation where the Commission may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

**Financial Assets**

The carrying amount of receivables represents the maximum exposure to credit risk.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

**Management Certificate**
**for Queensland Mental Health Commission**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

(a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects: and

(b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Mental Health Commission for the period ended 30 June 2014 and of the financial position of the entity at the end of that period.

(c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Lesley van Schoubroeck
Queensland Mental Health Commissioner

Date: 22 August 2014

Michael Corne
Business Manager

Date: 22 August 2014

## INDEPENDENT AUDITOR'S REPORT

To the Commissioner of Queensland Mental Health Commission

### Report on the Financial Report

I have audited the accompanying financial report of Queensland Mental Health Commission, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mental Health Commissioner and the Business Manager.

*The Commissioner's Responsibility for the Financial Report*

The Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Commissioner's responsibility also includes such internal control as the Commissioner determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

*Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

  (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

  (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Queensland Mental Health Commission for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

**Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.


D J Olive CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

# Appendix A - Annual report compliance checklist

| Summary of requirement | | Basis for requirement [5] | Annual report reference |
|---|---|---|---|
| **Letter of compliance** | **A letter of compliance from the accountable officer or statutory body to the relevant Minister** | ARRs – section 8 | 5 |
| **Accessibility** | **Table of contents** | ARRs – section 10.1 | 6 |
| | **Glossary** | ARRs – section 10.1 | N/A |
| | **Public availability** | ARRs – section 10.2 | 3 |
| | **Interpreter service statement** | *Queensland Government Language Services Policy*<br>ARRs – section 10.3 | 3 |
| | **Copyright notice** | *Copyright Act 1968*<br>ARRs – section 10.4 | 3 |
| | **Information Licensing** | *QGEA – Information Licensing*<br>ARRs – section 10.5 | 3 |
| **General information** | **Introductory Information** | ARRs – section 11.1 | 8 |
| | **Agency role and main functions** | ARRs – section 11.2 | 8 |
| | **Operating environment** | ARRs – section 11.3 | 8 |
| | **Machinery of government changes** | ARRs – section 11.4 | 8 |
| **Non-financial performance** | **Government's objectives for the community** | ARRs – section 12.1 | 9 |
| | **Other whole-of-government plans / specific initiatives** | ARRs – section 12.2 | 19 |
| | **Agency objectives and performance indicators** | ARRs – section 12.3 | 9 |
| | **Agency service areas, and service standards** | ARRs – section 12.4 | 10 |
| **Financial performance** | **Summary of financial performance** | ARRs – section 13.1 | 21 |

| Summary of requirement | | Basis for requirement [5] | Annual report reference |
|---|---|---|---|
| **Governance – management and structure** | **Organisational structure** | ARRs – section 14.1 | 24 |
| | **Executive management** | ARRs – section 14.2 | 25 |
| | **Related entities** | ARRs – section 14.3 | N/A |
| | **Government bodies** | ARRs – section 14.4 | N/A |
| | **Public Sector Ethics Act 1994** | Public Sector Ethics Act 1994 (section 23 and Schedule)<br>ARRs – section 14.5 | 25 |
| **Governance – risk management and accountability** | **Risk management** | ARRs – section 15.1 | 26 |
| | **External scrutiny** | ARRs – section 15.2 | N/A |
| | **Audit committee** | ARRs – section 15.3 | 27 |
| | **Internal audit** | ARRs – section 15.4 | 27 |
| | **Public Sector Renewal** | ARRs – section 15.5 | N/A |
| | **Information systems and recordkeeping** | ARRs – section 15.6 | 27 |
| **Governance – human resources** | **Workforce planning, attraction and retention, and performance** | ARRs – section 16.1 | 27 |
| | **Early retirement, redundancy and retrenchment** | Directive No.11/12 *Early Retirement, Redundancy and Retrenchment*<br>ARRs – section 16.2 | N/A |
| **Open Data** | **Open Data** | ARRs – section 17 | 27 |
| **Financial statements** | **Certification of financial statements** | FAA – section 62<br>FPMS – sections 42, 43 and 50<br>ARRs – section 18.1 | 51 |
| | **Independent Auditors Report** | FAA – section 62<br>FPMS – section 50<br>ARRs – section 18.2 | 52 |
| **Queensland Mental Health Commission Act 2013 requirements** | **Ministerial Directions** | Section 13 | None were given |
| | **Recommendations in each ordinary report** | Section 33 | None were made |
| | **Recommendations by the Mental Health and Drug Advisory Council** | Section 51 | None were made |

[1] Australian Bureau of Statistics. Causes of Death, Australia, 2012. Canberra: Australian Bureau of Statistics, 2014
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